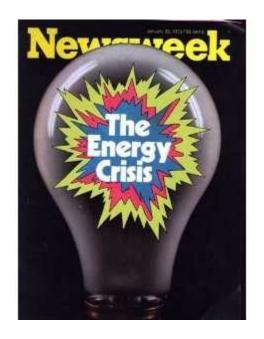
## Overview of Combined Heat & Power



Ken Smith, President and CEO 651.290.2812 ken.smith@ever-greenenergy.com



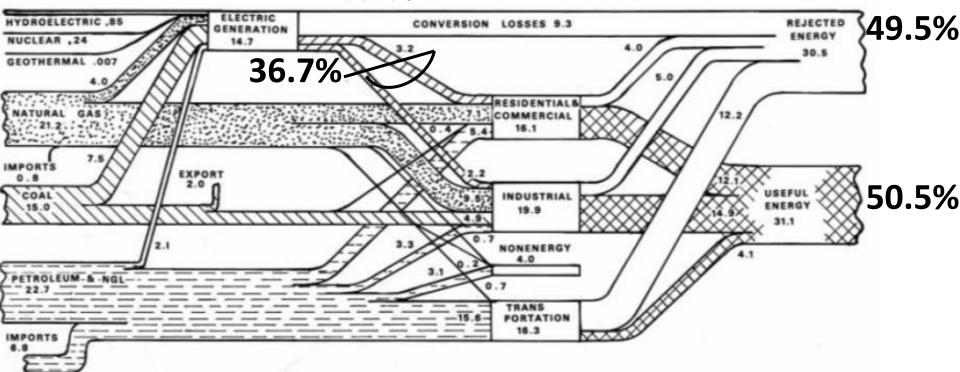








#### 63.3%



#### U.S. Energy Flow - 1970

All values X 10<sup>15</sup> Btu (2.12 X 10<sup>15</sup> Btu = 10<sup>6</sup> bbl/day oil)

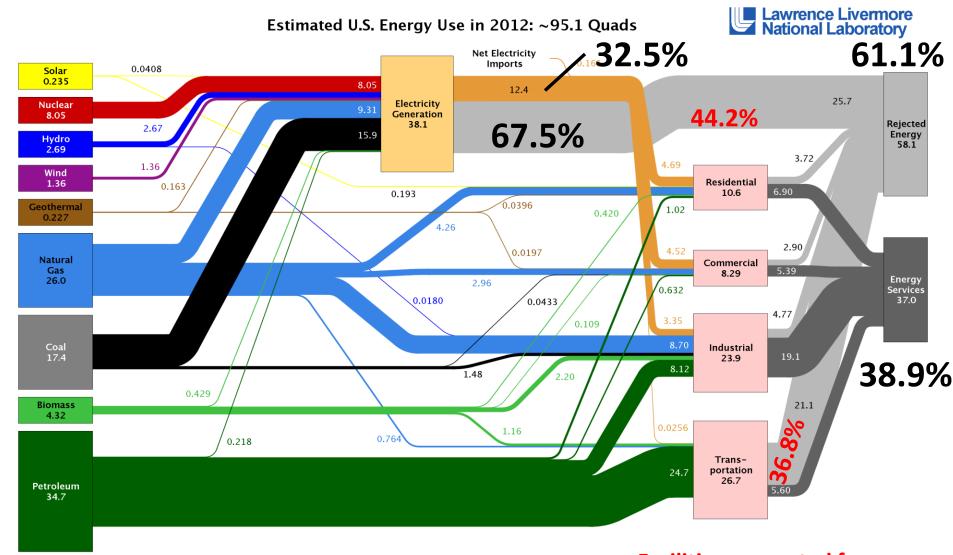
Total energy consumption = 67.5 X 10<sup>15</sup> Btu

Source: https://flowcharts.llnl.gov/







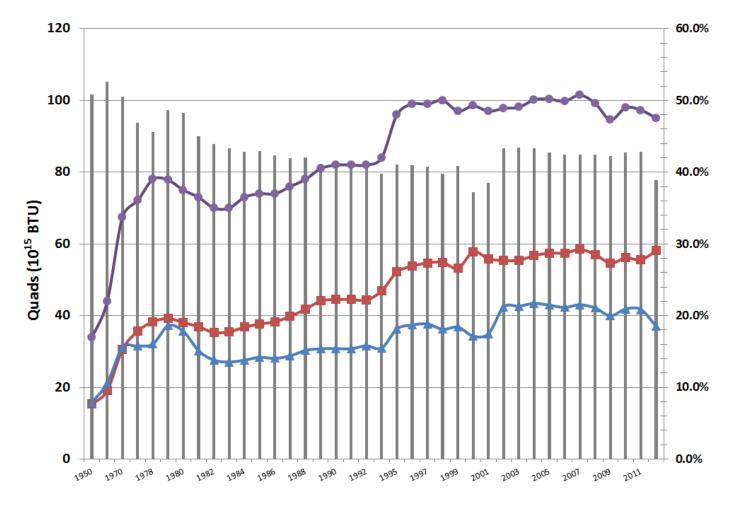


Source: https://flowcharts.llnl.gov

Facilities accounted for 19% of rejected energy (11.39 Quads)

#### US Energy Usage and System Efficiency 1950 - 2012

Efficiency = Rejected Energy/(Energy Services + Rejected Energy)



System Efficiency (%)

Lost/Rejected Energy (Quads)

★ Energy Services/Useful Energy (Quads)

Primary Energy Consumption (Quads)

Source: Data from Lawrence Livermore National Laboratory Energy Flow Diagrams https://flowcharts.llnl.gov/index.html



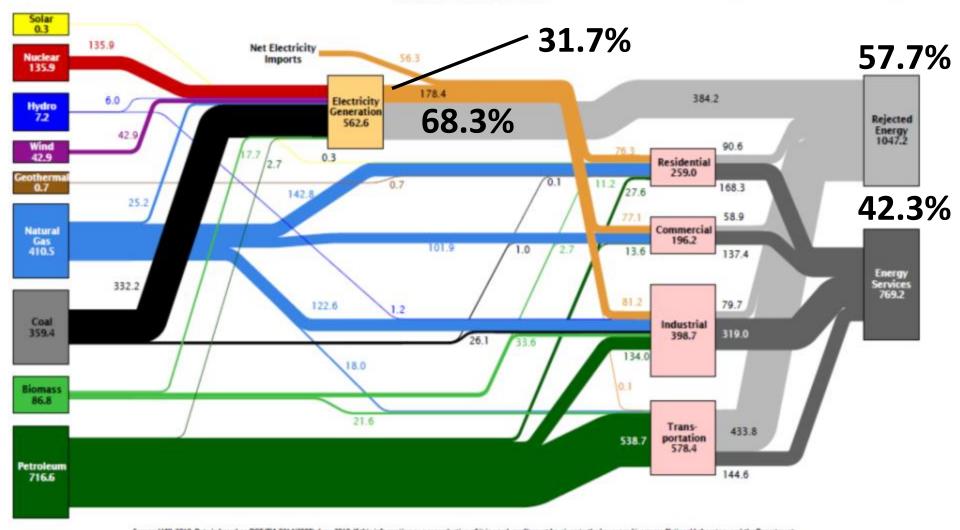
## Minnesota Energy Profile

- Minnesota uses a lot of energy
  - Over 1,800 Trillion BTU's in primary energy annually (10<sup>12</sup>)
- Minnesota is essentially dependent on energy imported from other states and countries
  - 100% of coal and uranium are imported
  - 100% of oil & petroleum products are imported
  - 100% of natural gas is imported
- Using energy efficiently benefits Minnesota's residents, economy and environment



#### Estimated Minnesota Energy Use In 2008 ~1816.5 Trillion BTU





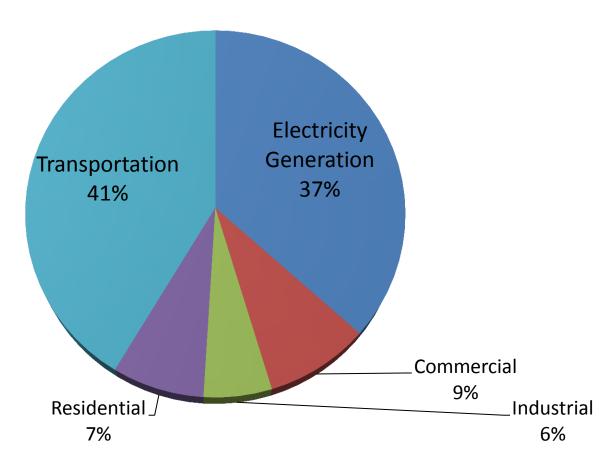
Source LLNL 2010. Data is based on DOE/EIA-0214(2008), June 2010. If this information or a reproduction of it is used, credit must be given to the Lawrence Livermore National Laboratory and the Department of Energy, under whose suspices the work was performed. Distributed electricity represents only retail electricity sales and does not include self-generation. EIA reports flows for non-thermal resources (i.e., hydro, wind and older) in ETU-equivalent values by assuming a typical flossif her plant "heat rate." The efficiency of electricity production is calculated as the total retail electricity delivered divided by the primary energy input into electricity personnel. Interestate and international electricity trade are lamped into net imports or exports and are calculated using a system wide generation efficiency. End use efficiency. End use efficiency and as 25% for the residential, 75% for the commercial, 80% for the industrial sector, and as 25% for the transportation sector, Totals may not equal sum of components due to independent roughling LLRL #64-10327.

Source: https://flowcharts.llnl.gov/



# MN 2008 Rejected/Lost Energy

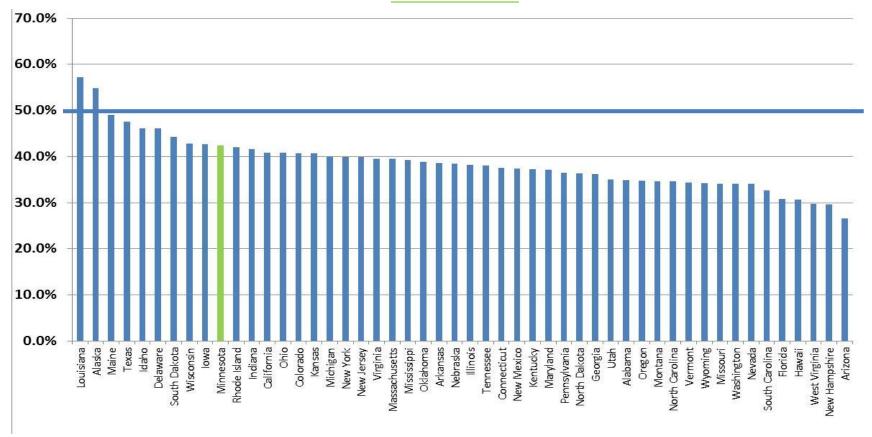
1,047.2 Trillion BTU



Source: Data from Lawrence Livermore National Laboratory Energy Flow Diagrams - https://flowcharts.llnl.gov/index.html



# Comparison of 2008 State System Efficiency



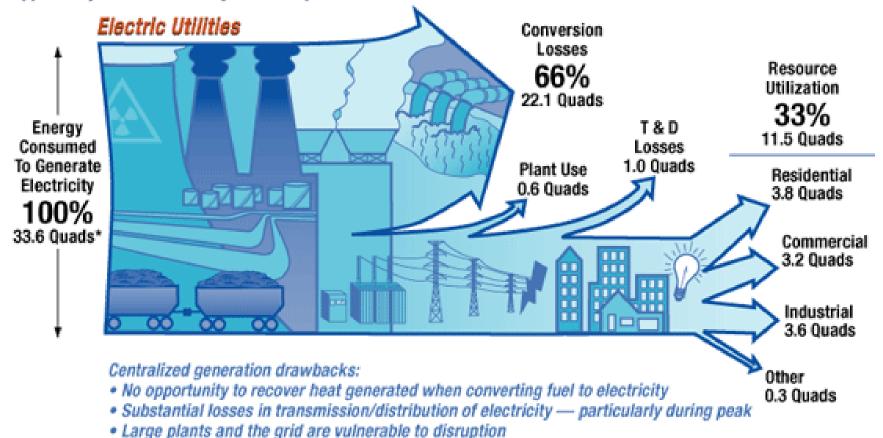
Efficiency = useful energy/(useful energy + rejected lost)
Source: Data from Lawrence Livermore National Laboratory Energy Flow Diagrams - https://flowcharts.llnl.gov/index.html



# Opportunities

## Current U.S. Electricity System

Opportunity — Useful heat rejected/dumped to the environment



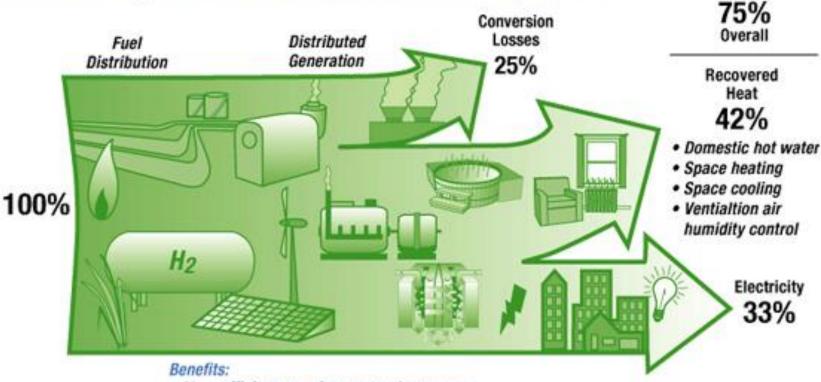
\*Quads — Quadrillion Btu's

Source: NREL http://www.nrel.gov/dtet/about.html



## Opportunity: Generate Heat and Power

Combined heat and power solution to recycling waste heat: Distribute electricity generation to where waste heat can be recovered and put to use.



- · More efficient use of our natural resources
- More secure against natural and man-made disasters
- Reduced pollution
- · Enhanced indoor air quality and comfort

Source: NREL http://www.nrel.gov/dtet/about.html



#### What is Combined Heat and Power (CHP)?

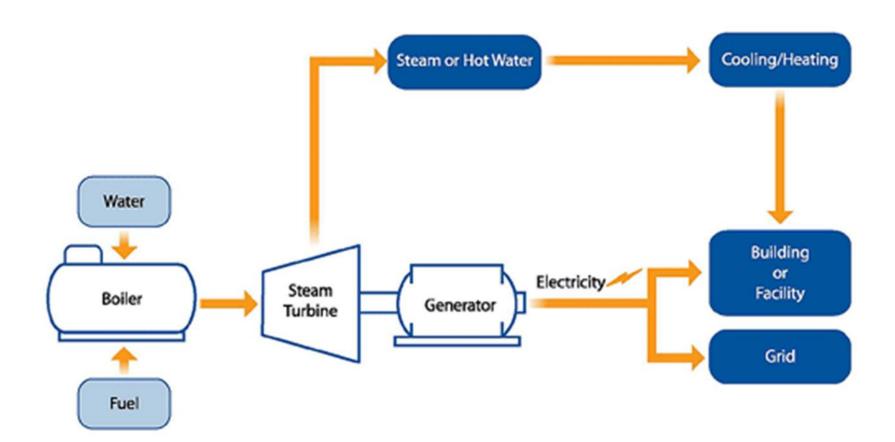
- A method of simultaneously generating thermal energy (heat) and electricity
- Fuel agnostic
- Often in an integrated system
- Not a specific technology, but an application of currently available technologies
- Typically composed of mechanical components manufactured in the United States
- Flexible and resilient



Source: ACEEE - http://www.aceee.org



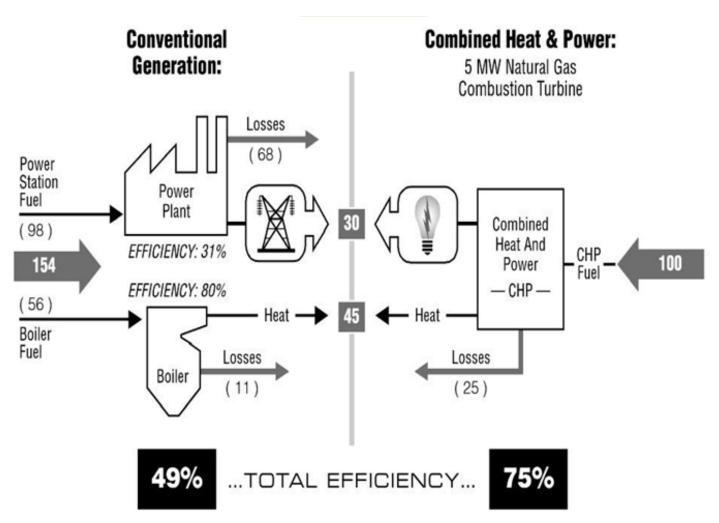
#### **How CHP Works**



Source: www.combinedheatandpower.com



#### Increased Efficiency & Reduced Emissions





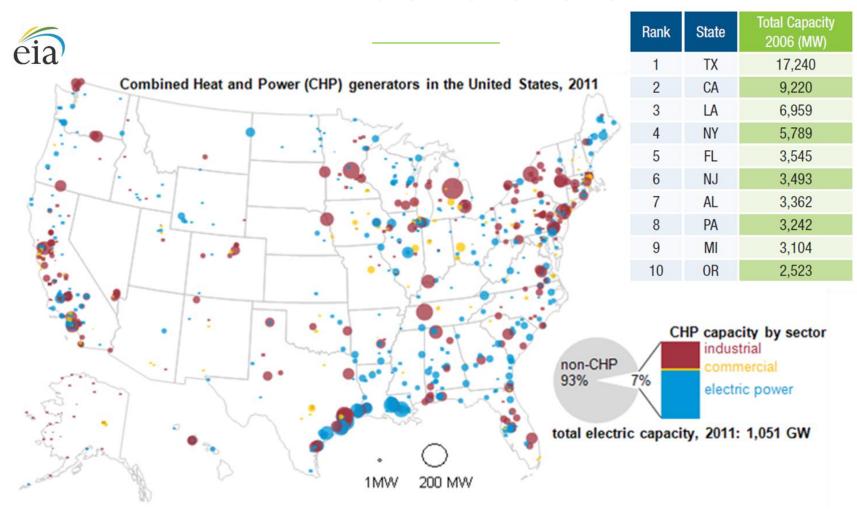
#### Applications for CHP

- Large CHP (>20 MW)
  - Industrial sites
  - Colleges and universities
  - Business districts with district energy systems
- Mid-Size CHP (1-20 MW)
  - High-growth industrial applications
  - Manufacturing and assembly plants
  - Institutional, military and government facilities
  - Large commercial sites
  - Business districts with district energy systems
- Small CHP (<1 MW)</li>

Source: DOE Office of Energy Efficiency and Renewable Energy



#### **CHP Generators**



Source: U.S. Energy Information Administration, Annual Electric Generator Report



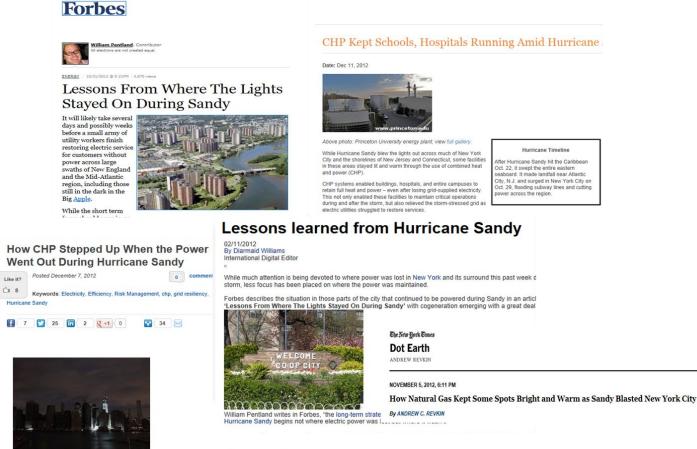
#### Benefits of CHP

- Uses existing, proven technology
- Improve system efficiency
- Diversify energy supplies
- Reduce emissions
- Increase business competitiveness
- Enhance resilience/energy security

Source: DOE Combined Heat and Power: Effective Energy Solutions for a Sustainable Future, 2008



# Increasing the Security and Resilience of the Energy System



As noted in recent blog posts by Forbes contributor

William Pentland and the New York Times' Andrew Revkin, it's instructive to look at where the lights stayed on during Hurricane Sandy to understand what makes certain places more resilient than others.

# Opportunity In Minnesota

- MN will add natural gas fired power plants
- This provides the opportunity to install CHP
  - Smaller distributed CHP
  - Large CHP CCPP

The SGT5-8000H gas turbine developed by Siemens forms the heart of the highly efficient combined cycle power plant with district heat extraction in Düsseldorf, Germany. With an electrical unit output of around 595 megawatts (MW) and a net efficiency of over 61 percent, the Lausward CHP CCPP will set a new world. In addition, the generated thermal energy will be used for the district heating system in the city of Düsseldorf. The overall efficiency of the natural gas fuel will be around 85 percent.





## ACEEE 2012 Scoring of MN's CHP Policy

Factor	MN	AVG of Top 10
Standard interconnection rules (1pt)	0.5	0.75
CHP/waste heat recovery in standards (RPS, EERS) (1pt)	0.5	0.6
Applicable financial incentive programs (1pt)	0	0.7
Favorable net metering regulations (0.5pt)	0	0.05
Output-based emissions regulations (0.5pt)	0	0.45
Loan and loan guarantee programs (0.5pt)	0	0.2
Supportive policies (0.5pt)	0	0.15
Total	1	2.9



## Thank You



Ken Smith, President and CEO 651.290.2812 ken.smith@ever-greenenergy.com